

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 27, 2022

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2022 JUN 27 P 2: 51

PETITION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2022-00020

For approval of new broadband project
and to implement a surcredit through its
rate adjustment clause, BC-RAC, pursuant
to § 56-585.1 A 6 and § 56-585.1:9 of the
Code of Virginia

ORDER FOR NOTICE AND HEARING

On June 8, 2022, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to § 56-585.1 A 6 and § 56-585.1:9 of the Code of Virginia ("Code"), seeking to amend a rate adjustment clause, the BC-RAC, previously approved by the Commission and approval of a new project to make available broadband capacity to an Internet Service Provider ("ISP") in parts of Bland County and Montgomery County that are unserved by broadband ("Bland-Montgomery Broadband Project").¹ Specifically, APCo requests authority to implement a surcredit of approximately \$1.35 million through the BC-RAC to reflect the actual costs of providing broadband capacity under the Company's existing broadband project in Grayson County, as well as projected costs related to the Bland-Montgomery Broadband Project.² Pursuant to Code § 56-585.1:9, the Commission must issue a final order within six months of the date of filing.

According to the Petition, under the proposed Bland-Montgomery Broadband Project, APCo seeks to expand middle-mile broadband capacity in the unserved areas of Bland and

¹ Petition at 1.

² *Id.*

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Montgomery counties, both in the southwestern part of Virginia.³ The Company states that the areas targeted by the Bland-Montgomery Broadband Project are unserved by broadband pursuant to Code § 56-585.1:9 D as the Virginia Telecommunication Initiative of the Department of Housing and Community Development has issued a grant or loan to construct a broadband service project within the last 18 months, and the grant or loan recipient is the ISP to which APCo proposes to lease capacity.⁴

The Company states that the Bland-Montgomery Broadband Project entails the installation of approximately 233 miles of 96-strand fiber optic cable on the Company's distribution system, which will also provide a communications platform for APCo's own distribution grid network backhaul requirements.⁵ The Company states that it will lease a portion of the middle-mile broadband infrastructure to GigaBeam Networks LLC, the ISP selected by the counties to provide service to unserved areas in Bland and Montgomery counties.⁶ APCo states that the estimated capital investment for the Bland-Montgomery Broadband Project is approximately \$37.1 million.⁷

According to the Petition, the approximately \$1.35 million surcredit that the Company proposes to return to customers through the BC-RAC pursuant to Code § 56-585.1 A 6 will result in a decrease of \$0.69 on the monthly bill of a residential customer using 1,000 kilowatt

³ *Id.* at 5.

⁴ *Id.*

⁵ *Id.* at 6.

⁶ *Id.* at 5; Direct Testimony of Amanda C. Cox at 4.

⁷ Petition at 6.

hours per month.⁸ APCo proposes to implement the surcredit beginning February 1, 2023, and ending January 31, 2024.⁹

The Petition was accompanied by a Motion for Protective Ruling ("Motion") filed in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure ("Rules of Practice").¹⁰

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; APCo should provide public notice of its Petition; public hearings should be scheduled for the purpose of receiving testimony and evidence on the Petition; interested persons should have an opportunity to file comments on the Petition or to participate as respondents in this proceeding; and the Staff of the Commission ("Staff") should be directed to investigate the Petition and file testimony and exhibits containing its findings and recommendations thereon. We also appoint a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion and filing a final report containing the Hearing Examiner's findings and recommendations.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may

⁸ *Id.* at 4.

⁹ *Id.* at 2.

¹⁰ 5 VAC 5-20-10 *et seq.*

take additional actions going forward, which could impact the procedures in this proceeding.¹¹ Consistent with these actions, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2022-00020.

(2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice. Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.¹²

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by

¹¹ See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), extended by 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), extended by 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

¹² As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion and filing a final report. A copy of each filing made with the Commission's Clerk's office in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹³

(5) The Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Petition, as follows:

- (a) A hearing for the receipt of testimony from public witnesses on the Petition shall be convened telephonically at 10 a.m., on October 5, 2022, with no witness present in the Commission's courtroom.¹⁴
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before September 26, 2022, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141.

¹³ Such electronic copies shall be sent to: Wendy.Starkey@scc.virginia.gov, LeaAnn.Robertson@scc.virginia.gov, and Kaitlyn.Mcclure@scc.virginia.gov.

¹⁴ The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.

- (d) Beginning at 10 a.m., on October 5, 2022, the Hearing Examiner assigned to this case will telephone sequentially each person who has signed up to testify as provided above. This hearing will not be convened, and the parties will be notified of such, if no person signs up to testify as a public witness.
- (e) This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

(6) A hearing shall be convened on October 6, 2022, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony and evidence of the Company, any respondents, and the Staff.

(7) An electronic copy of the public version of the Company's Petition may be obtained by submitting a written request to counsel for the Company, Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or njcoates@aep.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(8) On or before July 18, 2022, the Company shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within Virginia:

NOTICE TO THE PUBLIC OF A PETITION BY
 APPALACHIAN POWER COMPANY
 FOR APPROVAL OF NEW BROADBAND PROJECT AND TO
 IMPLEMENT A SURCREDIT THROUGH ITS RATE
 ADJUSTMENT CLAUSE, BC-RAC, PURSUANT TO
 § 56-585.1 A 6 AND § 56-585.1:9 OF THE CODE OF VIRGINIA
CASE NO. PUR-2022-00020

- Appalachian Power Company ("APCo") has applied for approval of a new broadband project and to implement a surcredit through its rate adjustment clause, BC-RAC, which recovers the costs of providing broadband capacity related to rural broadband projects.
- APCo requests approval to implement a surcredit of approximately \$1.35 million effective February 1, 2023. According to APCo, this amount would decrease the monthly bill of a residential customer using 1,000 kilowatt hours per month by \$0.69.
- The Hearing Examiner appointed to this case will hold a telephonic hearing in this case on October 5, 2022, to receive public witness testimony.
- The Hearing Examiner will hold an evidentiary hearing in this case on October 6, 2022.
- Further information about this case is available on the SCC website at:
scc.virginia.gov/pages/Case-Information.

On June 8, 2022, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to § 56-585.1 A 6 and § 56-585.1:9 of the Code of Virginia ("Code"), seeking to amend a rate adjustment clause, the BC-RAC, previously approved by the Commission and approval of a new project to make available broadband capacity to an Internet Service Provider ("ISP") in parts of Bland County and Montgomery County that are unserved by broadband ("Bland-Montgomery Broadband Project"). Specifically, APCo requests authority to implement a surcredit of

approximately \$1.35 million through the BC-RAC to reflect the actual costs of providing broadband capacity under the Company's existing broadband project in Grayson County, as well as projected costs related to the Bland-Montgomery Broadband Project.

According to the Petition, under the proposed Bland-Montgomery Broadband Project, APCo seeks to expand middle-mile broadband capacity in the unserved areas of Bland and Montgomery counties, both in the southwestern part of Virginia. The Company states that the areas targeted by the Bland-Montgomery Broadband Project are unserved by broadband pursuant to Code § 56-585.1:9 D as the Virginia Telecommunication Initiative of the Department of Housing and Community Development has issued a grant or loan to construct a broadband service project within the last 18 months, and the grant or loan recipient is the ISP to which the APCo proposes to lease capacity.

The Company states that the Bland-Montgomery Broadband Project entails the installation of approximately 233 miles of 96-strand fiber optic cable on the Company's distribution system, which will also provide a communications platform for APCo's own distribution grid network backhaul requirements. The Company states that it will lease a portion of the middle-mile broadband infrastructure to GigaBeam Networks LLC, the ISP selected by the counties to provide service to unserved areas in Bland and Montgomery counties. APCo states that the estimated capital investment for Bland-Montgomery Broadband Project is approximately \$37.1 million.

According to the Petition, the approximately \$1.35 million surcredit that the Company proposes to return to customers through the BC-RAC pursuant to Code § 56-585.1 A 6 will result in a decrease of \$0.69 on the monthly bill of a residential customer using 1,000 kilowatt hours per month. APCo proposes to implement the surcredit beginning February 1, 2023, and ending January 31, 2024.

Interested persons are encouraged to review the Petition and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Petition and supporting documents

and thus may adopt rates that differ from those appearing in the Company's Petition and supporting documents.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public hearings on APCo's Petition. On October 5, 2022, at 10 a.m., the Hearing Examiner assigned to this case will hold a telephonic hearing, with no witness present in the Commission's courtroom, for the purpose of receiving the testimony of public witnesses. On or before September 26, 2022, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at scc.virginia.gov/pages/Webcasting; (ii) by completing and emailing the PDF version of this form to SCCInfo@scc.virginia.gov; or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/pages/Webcasting.

On October 6, 2022, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Petition from the Company, any respondents, and the Commission's Staff ("Staff").

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the

Commission's Order for Notice and Hearing for further instructions concerning Confidential or Extraordinarily Sensitive Information.

An electronic copy of the public version of the Company's Petition may be obtained by submitting a written request to counsel for the Company, Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or njcoates@aep.com.

On or before September 28, 2022, any interested person may file comments on the Petition by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00020.

On or before August 3, 2022, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail with the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00020.

On or before August 17, 2022, each respondent may file with the Clerk of the Commission, at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail with the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed

one page. All testimony and exhibits shall be served on the Staff, the Company, and all other respondents simultaneous with its filing. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00020.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The public version of the Company's Petition, the Commission's Rules of Practice and the Commission's Order for Notice and Hearing may be viewed on the Commission's website at: scc.virginia.gov/pages/Case-Information.

APPALACHIAN POWER COMPANY

(9) The Company shall serve each official listed in 20 VAC 5-204-10 J 1 as provided by 20 VAC 5-204-10 J 2.

(10) On or before August 8, 2022, the Company shall file proof of the notice and service required by Ordering Paragraphs (8) and (9) above, including the name, title, address, and electronic mail address (if applicable) of each official served, with the Clerk of the Commission at scc.virginia.gov/clk/efiling/.

(11) On or before September 28, 2022, any interested person may submit comments on the Petition by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00020.

(12) On or before August 3, 2022, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail with the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00020.

(13) Within three (3) business days of receipt of a notice of participation as a respondent, the Company shall serve a copy of the public version of the Petition and supporting materials on the respondent, unless these already have been provided to the respondent.

(14) On or before August 17, 2022, each respondent may file with the Clerk of the Commission at scc.virginia.gov/clk/efiling, any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail with the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed one page. In all filings, respondents shall comply with the Commission's Rules of Practice, as modified

herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00020.

(15) On or before August 31, 2022, the Staff shall investigate APCo's Petition and file with the Clerk of the Commission its testimony and exhibits concerning the Petition. Each Staff witness's testimony shall include a summary not to exceed one page. A copy of the Staff's testimony shall be served on counsel to the Company and all respondents.

(16) On or before September 14, 2022, APCo shall file with the Clerk of the Commission any rebuttal testimony and exhibits that it expects to offer. Each rebuttal witness's testimony shall include a summary not to exceed one page. The Company shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(17) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(18) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the

Staff.¹⁵ Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

¹⁵ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00020, in the appropriate box.